

**Jefferson
Pilot**

**THIS DISABILITY INCOME PROPOSAL
HAS BEEN PREPARED FOR
CHRIS KEARNEY
PREPARED BY
MICHAEL LUPIDI**

**Jefferson-Pilot Life Insurance Company
P.O. Box 20727
Greensboro, North Carolina 27420**



Jefferson-Pilot
~~Disability Income Insurance~~
Proposal For
CHRIS KEARNEY

BASIC BENEFITS

Monthly Benefit for Total Disability \$ 2125

Elimination Period 90 DAYS

Benefits are not payable during the Elimination Period.

Benefit Period For Total Disability To Age 65*

* If your disability begins prior to age 45, benefits are payable for LIFE.
If disability begins on or after your 63rd birthday, benefits are payable for up to 2 years.

Percentage Increase In Benefits During Total Disability 3%

Your increase in benefits begins with the 13th month of total disability benefits. Benefits will be increased during each successive 12 month period of total disability up to the end of your Benefit Period. No further increases will be applied after your 65th birthday.

ADDITIONAL BENEFITS

Social Security Supplement \$ 625

This provision pays if you are receiving Basic Benefits for total disability and your claim for disability benefits from Social Security has not been approved. Social Security Supplement benefits are subject to the 3% increase in benefits during total disability described above.

Residual Disability

Pays a percentage of the Basic Benefit and Social Security Supplement, if applicable, when you are residually disabled and suffer a loss of earnings of 20% or more.

Optional Increase In Benefits During Total Disability

Increases the 3% increase in benefits described previously to 7%.
Applicable to the Basic Benefit and Social Security Supplement benefit if it is payable.



Option To Purchase Additional Monthly Benefits

This benefit allows you to double your Basic Benefit without proof of physical insurability (not applicable to current disability).



IMPORTANT FEATURES OF YOUR POLICY

Non-Cancellable To Age 65

Prior to age 65, you have the sole right to renew this policy and your premium cannot be increased before you reach age 65.

Renewable To Age 70

You may continue this policy to age 70 at an increased premium if you are regularly and gainfully employed on a full time basis. Additional benefits are not renewable after age 65.

Definition Of Total Disability

During the elimination period and for the first five years of a period of disability, total disability means your inability to perform the duties of your occupation. Your occupation during this period is the occupation in which you are regularly engaged at the time you become disabled. Thereafter, total disability means your inability to perform any gainful occupation in which you might reasonably be expected to engage because of your education, training or experience.

Waiver Of Premium

After 90 days of continuous total disability Jefferson-Pilot will give any future premiums due as long as you receive benefits for total disability. Jefferson-Pilot also refunds premiums paid during the period of total disability.

Presumptive Total Disability

If you suffer the irrecoverable loss of your sight in both eyes, speech, hearing, the use of both hands or both feet or one hand and one foot, Jefferson-Pilot will consider you totally disabled even if you continue working. It will not be necessary to satisfy your elimination period or remain under the care of a doctor. Benefits for presumptive total disability are payable for the length of the policy's benefit period for sickness.

Transplant Donor

If you are totally disabled as a result of donating a part of your body to another person, your disability will be considered a result of sickness.

Exclusions

Coverage is excluded for: military conflict of any kind including war (declared or undeclared); military service (except active duty of 2 months or less for training purposes only); intentionally self-inflicted injuries.



ADDITIONAL BENEFITS YOU HAVE CHOSEN

Social Security Supplement

-This benefit is payable if you are receiving the policy's basic benefit for total disability and your claim for disability income benefits from the Social Security Administration has not been approved. —

If you become ineligible for Social Security disability benefits or if Social Security benefits are drastically reduced by legislation you may convert your Social Security Supplement benefit to a Basic Benefit subject to Jefferson-Pilot's then current underwriting rules.

Residual Disability

You become eligible for residual disability benefits when;

- a. you are unable to perform one or more of the important duties of your occupation, profession or employment, OR you are unable to perform your usual daily business duties for substantially as much time as is required to do such duties (one of these conditions must be met), and
- b. you lose at least 20% of your pre-disability earnings, and
- c. you satisfy the policy elimination period with total disability, or a combination of total and residual disability, and
- d. you are under the care of a physician.

The amount of your residual disability benefit will be the percentage of your Basic Benefit and Social Security Supplement benefit (if applicable) that is equal to the percentage of pre-disability earnings you lose as a result of residual disability.

During the first 6 months residual disability benefits are payable, the minimum benefit is 50% of your benefit for total disability.

Example: If your monthly earned income during residual disability is 60% of your pre-disability earnings, you have a 40% loss of earnings. During the first 6 months of residual disability only, Jefferson-Pilot will pay you a minimum benefit equal to 50% of your benefit for total disability. Thereafter it would be equal to 40% of your benefit for total disability. If your loss of earnings exceeds 50%, the corresponding higher percentage will be payable. If the loss of earnings is at least 75%, the full benefit for total disability will be payable.

~~If you are residually disabled prior to age 55, residual disability~~
~~benefits can be paid to the end of your maximum benefit period.~~ Residual disability benefits are payable for up to 24 months if residual disability begins at age 55 or later and is not preceded by at least 180 days of total disability.



Increase In Benefits During Total Disability

This benefit allows the 3% Increase In Benefits During Total Disability, found in your basic policy, to be increased to 7%. Beginning with the 13th monthly benefit for total disability, your benefit will be increased by 7% of the Basic Benefit and Social Security Supplement benefit (if applicable) found in your policy schedule. Benefits will continue to be increased by this amount during each successive 12 month period of total disability until your benefits for total disability are exhausted or you reach age 65, whichever occurs first.

Option To Purchase Additional Monthly Benefits

This benefit allows you to double your Basic Benefit without proof of physical insurability. Your policy must be in force two years before the first option can be exercised. Additional benefits may be purchased through age 49. The total of all increases may not exceed the Basic Monthly Benefit shown in this proposal. Financial underwriting requirements must be met to purchase additional benefits.



**JEFFERSON-PILOT
DISABILITY INCOME INSURANCE**

PROPOSAL FOR

CHRIS KEARNEY

<u>\$2125 Per Month Basic Benefit</u>	\$980.90
<u>\$625 Per Month Social Security Supplement</u>	135.56
Residual Disability Benefit	81.68
4% Increase In Benefits Rider	148.54

Total Annual Premium	\$1346.68
Discounted Annual Premium	\$1212.01
MONTHLY DRAFT	\$101.25
Option to Increase Monthly Benefits (One time premium)	132.43

First Premium Only	\$233.68

This proposal is based on policy form WJ576. Premium is quoted for a male, age 37 in occupational class 3A, with a 90 day elimination period and a to age 65 benefit period.

The premium quoted has been reduced in accordance with Jefferson-Pilot's stable employment and non-smoker discounts.

THIS IS A PROPOSAL. IT IS NOT A POLICY OR INSURANCE CONTRACT. COVERAGE CAN BE PROVIDED ONLY AFTER YOU HAVE SUBMITTED AN APPLICATION, MET OUR UNDERWRITING REQUIREMENTS, AND BEEN ACCEPTED FOR INSURANCE. ADDITIONAL INFORMATION CAN BE FOUND IN POLICY FORM WJ576.

Date : 03-14-90

PROSPECT:M 37 N/PAY:4167/LEVEL:N/STABLE:Y W576 65 90 3

**Jefferson
Pilot****ALTERNATIVE PREMIUM PAGE**

Based on:

Basic Benefit	-	\$2125
Social Security Supplement	-	\$625
4% Increase In Benefits Rider		
Residual Disability Benefit		
Option To Increase Monthly Benefits		

with:

stable employment and non-smoker discounts.

BENEFIT PERIOD

To age 65

ELIMINATION PERIOD	30 DAYS	60 DAYS	90 DAYS	180 DAYS	365 DAYS
	\$297.94	\$255.64	\$233.68	\$206.57	\$186.35

BENEFIT PERIOD

5 years

ELIMINATION PERIOD	30 DAYS	60 DAYS	90 DAYS	180 DAYS	365 DAYS
	\$217.69	\$176.99	\$156.18	\$132.13	\$117.61

BENEFIT PERIOD

2 years

ELIMINATION PERIOD	30 DAYS	60 DAYS	90 DAYS	180 DAYS	365 DAYS
	\$153.36	\$119.25	\$102.03	\$83.30	\$74.42

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hope you will never have to make a claim for disability income benefits. ~~Even when you are well prepared, a period of disability can be trying~~ emotionally and financially. However, you can take some comfort in the financial power a disability income policy gives you.

YOUR AGE	MONTHLY* BENEFIT	BENEFIT** PERIOD	MAXIMUM POTENTIAL BENEFIT
37	2750	to age 65	1797180

* Total provided by the Basic and Social Security Supplement benefits.

** If disability begins prior to age 45, benefits are payable for LIFE. In this example, the MAXIMUM POTENTIAL BENEFIT is based on benefits being payable To Age 65.

The maximum potential benefit above includes the increase in benefit provision shown in the proposal. Without the increase in benefit provision, the maximum potential benefit would be \$924000, a reduction of \$873180.

The things you own, or plan to own; the things you do, or plan to do are dependent on your ability to pay for them.

The amount of income you earn and your expectation that it will continue to be the major factors in deciding on what to own or do.

In many respects, you control the amount of your income and the length of time you earn it. Unfortunately, you cannot control when a disability will strike or how long it will continue. Disability income insurance is the most effective way to protect yourself, the things you own, and the things you do when a disability strikes.



**WHY YOUR ABILITY TO EARN AN INCOME
IS YOUR MOST VALUABLE ASSET**

Based on your current income and assuming it will increase by 4% per year, you will earn \$2498677.50 between now and age 65.

That is a tremendous amount of money that can be earned or lost depending on your ability to work to earn an income.

You insure other assets that may have far less worth (home, automobile, boat, etc.) DOESN'T IT MAKE SENSE TO INSURE YOUR MOST VALUABLE ASSET - YOUR ABILITY TO EARN AN INCOME?

**WHY YOUR ABILITY TO EARN AN INCOME
NEEDS TO BE PROTECTED**

**Chances of Long Term Disability*
Prior To Reaching Age 65**

AGE	CHANCES OF DISABILITY
25	50%
35	45%
45	38%
55	26%

- Disability lasting 90 days or longer

Source: 1985 Commissioners Individual Disability Table

- 1 -

**Jefferson
Pilot**JEFFERSON-PILOT
DISABILITY INCOME INSURANCE

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\$1,375 Per Month Basic Benefit	\$603.76
\$225 Per Month Social Security Supplement	\$47.84
Residual Disability Benefit	\$45.44
4% Increase In Benefits Rider	\$91.03
Total Annual Premium	\$788.07
Discounted Annual Premium	\$709.26
Monthly Draft	\$59.36

This proposal is based on policy form WJS76. Premium is quoted at unisex rates for a male, age 38 in occupational class 4A, with a 90 day elimination period and a to age 65 benefit period.

The premium quoted has been reduced in accordance with Jefferson-Pilot's stable employment and non-smoker discounts.

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BECAUSE YOU QUALIFY FOR JEFFERSON-PILOT'S PREMIUM UPGRADE PROGRAM, THE PREMIUMS IN THIS PROPOSAL ARE BASED ON THE OCCUPATIONAL CLASSIFICATION THAT IS ONE CLASS MORE FAVORABLE THAN YOUR ACTUAL CLASSIFICATION.

Jefferson-Pilot is one of only 193 life insurance companies to receive A.M. Best's highest rating of A+ for at least 10 consecutive years from 1981 through 1990.

PROSPECT:M 38 N/PAY: 7558/LEVEL:Y/STABLE:Y W576 65 90 4 REV 5/ 1/90

ALTERNATIVE PREMIUM PAGE

Based on:

Basic Benefit	-	\$1,375
Social Security Supplement	-	\$225
4% Increase In Benefits Rider		
Residual Disability Benefit		

with:

stable employment and non-smoker discounts

INITIAL PREMIUM

BENEFIT PERIOD		To age 65			
ELIMINATION PERIOD	30 DAYS	60 DAYS	90 DAYS	180 DAYS	365 DAYS
	\$75.95	\$65.16	\$59.36	\$52.54	\$47.42
BENEFIT PERIOD		5 years			
ELIMINATION PERIOD	30 DAYS	60 DAYS	90 DAYS	180 DAYS	365 DAYS
	\$56.70	\$46.19	\$40.59	\$34.39	\$30.68
BENEFIT PERIOD		2 years			
ELIMINATION PERIOD	30 DAYS	60 DAYS	90 DAYS	180 DAYS	365 DAYS
	\$41.29	\$32.18	\$27.34	\$22.34	\$19.97

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AGENT'S INFORMATION PAGE

Applications

Use WJ1395A unless you are in Maryland, then use WJ1395AMD.

Supplemental Applications

Supplemental application WJ2002 required. If 3rd party ownership is desired or proposed insured is involved in aviation use supplemental application WJ1713.

Inspection Report

Inspection report may be requested by underwriter.

Medical Examination

No medical examination required.

Financial Information

No additional financial information required.

Licensing

Before signing an application, you must be licensed and contracted with Jefferson-Pilot in the state where the application is written.

Every effort is made to reach an underwriting decision without requesting more information than that indicated above. However, we will contact you if we need your assistance in obtaining additional information to complete underwriting.